

**Exhibit 38**

**Excerpts of July 21, 2014 D. Bing Deposition Transcript**

1 DAVE BING  
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 3 IN THE UNITED STATES BANKRUPTCY COURT  
 4 FOR THE EASTERN DISTRICT OF MICHIGAN  
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 6  
 7 In re ) Chapter 9  
 8 CITY OF DETROIT, MICHIGAN, ) Case No. 13-53846  
 9 Debtor. ) Hon. Steven W. Rhodes  
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 14 The Videotaped Deposition of DAVE BING,  
 15 Taken at 2 Woodward Avenue, Suite 500,  
 16 Detroit, Michigan,  
 17 Commencing, at 8:55 a.m.,  
 18 Monday, July 21, 2014,  
 19 Before Kathryn L. Janes, CSR-3442, RMR, RPR.  
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<p style="text-align: right;">Page 53</p> <p>1                   <b>DAVE BING</b></p> <p>2       <b>time any time something is taken away from you.</b></p> <p>3   Q. And you say that you didn't have the time or the 4    data to -- to really talk productively with the 5    unions, and so would you say that if you really 6    wanted to make progress with the unions, it took 7    more time than you had?</p> <p>8                    MR. MORRIS: Objection, form.</p> <p>9   <b>A. For me personally, the answer would be yes. That</b> 10   <b>was not my day-to-day responsibility. I mean, you</b> 11   <b>had department heads that were responsible for</b> 12   <b>that.</b></p> <p>13   BY MR. ARNAULT:</p> <p>14   Q. And if you'll turn back to I think it was Bing 15    Exhibit 3, it's this Can Detroit Be Saved 16    article?</p> <p>17   <b>A. Uh-huh.</b></p> <p>18   Q. And on the second page, the third paragraph, 19    probably some editorializing by the paper, but it 20    says that he grumbles that there are 17 unions 21    with over 50 separate bargaining sheets -- 22    bargaining units. And I can give you a data 23    sheet that will show you we've got several of 24    those bargaining units with less than 100 people 25    and each one of them has a president that's paid</p>	<p style="text-align: right;">Page 55</p> <p>1                   <b>DAVE BING</b></p> <p>2   <b>A. They were staggered.</b></p> <p>3   Q. So it seems like the City's labor relations 4    department would just be constantly renegotiating 5    contracts?</p> <p>6   <b>A. Yes, yes.</b></p> <p>7   Q. Was that an efficient way for the government to 8    operate, do you think?</p> <p>9   <b>A. I don't think so.</b></p> <p>10   Q. I mean, as you put it, it seems insane to have 11    that many unions?</p> <p>12   <b>A. Yep.</b></p> <p>13   Q. I take it, you would agree that the number of 14    unions and bargaining units caused problems for 15    the city?</p> <p>16   <b>A. Yes.</b></p> <p>17   Q. And besides --</p> <p>18   <b>A. That's from an efficiency standpoint. I mean, you</b> 19   <b>just mentioned that the labor relations</b> 20   <b>department, which was huge, you know, if we -- if</b> 21   <b>we had done things a different way, a more</b> 22   <b>efficient way, that's a department that probably</b> 23   <b>didn't need nearly as many people.</b></p> <p>24   Q. Okay. So the fact that there were more than 50 25    bargaining units just led to inefficiencies --</p>
<p style="text-align: right;">Page 54</p> <p>1                   <b>DAVE BING</b></p> <p>2   by the city to negotiate against the city.</p> <p>3   Coming from the private sector, I find that 4    insane. So while you were in office, there were 5    actually 17 unions and more than 50 bargaining 6    units you had to negotiate with?</p> <p>7   <b>A. Not me personally, but yes.</b></p> <p>8   Q. But the City negotiated?</p> <p>9   <b>A. Yes, yes.</b></p> <p>10   Q. And each bargaining unit had its own contract?</p> <p>11   <b>A. Yes.</b></p> <p>12   Q. And it sounds like some of the bargaining units 13    actually had less than 100 people?</p> <p>14   <b>A. Yes.</b></p> <p>15   Q. So every couple years or so would the city 16    actually have to go out and renegotiate new 17    contracts with more than 50 different bargaining 18    units?</p> <p>19   <b>A. Depends upon the length of the contract, maybe not</b> 20   <b>every couple years, some were, you know, three</b> 21   <b>years, some may have been five years, but at</b> 22   <b>the -- at the expiration of that contract, yeah,</b> 23   <b>you entered into some more negotiations.</b></p> <p>24   Q. And were the end date of the various CBAs, were 25    they staggered?</p>	<p style="text-align: right;">Page 56</p> <p>1                   <b>DAVE BING</b></p> <p>2   <b>A. Yeah.</b></p> <p>3   Q. -- for the city.</p> <p>4   <b>A. I think so.</b></p> <p>5   Q. Were there any other problems you ran into 6    because you had that more than 50 bargaining 7    units?</p> <p>8   <b>A. Well, you've got all person -- you've got 50</b> 9   <b>different personalities from a leadership</b> 10   <b>standpoint that you have to deal with and that's</b> 11   <b>always a problem.</b></p> <p>12   Q. And you also mentioned that each of the 13    bargaining units has a president that's paid by 14    the city to negotiate against the city?</p> <p>15   <b>A. Yes.</b></p> <p>16   Q. So the city was actually paying these union 17    presidents to engage in negotiations against the 18    city; is that right?</p> <p>19   <b>A. Well, I guess they would say we represented the</b> 20   <b>employees, so, you know. But yeah, I -- I would</b> 21   <b>say so.</b></p> <p>22   Q. Okay. And do you think that caused a problem for 23    the city?</p> <p>24   <b>A. Yes.</b></p> <p>25   Q. How so?</p>

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<p style="text-align: right;">Page 57</p> <p>1 DAVE BING</p> <p>2 A. You could never, once again, come to agreement on</p> <p>3 anything. I mean, everything was just -- it was</p> <p>4 an elongated process that didn't get -- didn't</p> <p>5 really benefit anybody, in my opinion.</p> <p>6 Q. So the number of bargaining units led to</p> <p>7 inefficiencies, an elongated bargaining process,</p> <p>8 having to deal with a number of different</p> <p>9 department heads with different personalities,</p> <p>10 were there any other problems that the number of</p> <p>11 bargaining units caused?</p> <p>12 A. Well, I mean, there was just a lack of trust</p> <p>13 between management and the bargaining units. And</p> <p>14 a lot of that I think is very historical. So it</p> <p>15 was nothing new to us, but when -- when people say</p> <p>16 they're going to do something and they come to an</p> <p>17 agreement and they don't do it, then you just</p> <p>18 don't have trust and -- and we found that to be a</p> <p>19 big issue, a lack of trust.</p> <p>20 Q. Did you take any steps is to try and bridge the</p> <p>21 trust gap between the city and the unions?</p> <p>22 A. Well, yeah, the labor relations department got</p> <p>23 much more heavily involved in the process.</p> <p>24 Q. And had they not been heavily involved in the</p> <p>25 process before that?</p>	<p style="text-align: right;">Page 59</p> <p>1 DAVE BING</p> <p>2 A. No.</p> <p>3 Q. Let me know if at any time you want to take a</p> <p>4 break.</p> <p>5 A. All right.</p> <p>6 Q. So you mentioned earlier that one of the big</p> <p>7 problems that the city faced was the work rules.</p> <p>8 And so my understanding is that the work rules in</p> <p>9 the CBAs actually impaired the efficient</p> <p>10 operation of the City government?</p> <p>11 A. Yes.</p> <p>12 Q. Would that be fair?</p> <p>13 A. That would be fair.</p> <p>14 Q. And how did the CBAs impair the efficient --</p> <p>15 A. The biggest thing I can remember, they had bumping</p> <p>16 rights and in some cases, based on seniority,</p> <p>17 there may have been people in a seniority position</p> <p>18 that we didn't think should remain in the City</p> <p>19 government. But they had bumping rights and so</p> <p>20 they would bump the less senior people who may</p> <p>21 have been better equipped, more efficient, more</p> <p>22 knowledgeable, but we -- we lost in that</p> <p>23 situation. So I think it was bumping rights, you</p> <p>24 got people that left one job, went to another job</p> <p>25 they knew absolutely nothing about and they bumped</p>
<p style="text-align: right;">Page 58</p> <p>1 DAVE BING</p> <p>2 A. They may have been, but then once again, you know,</p> <p>3 you had turnover, and it got down to</p> <p>4 personalities. And a lot of cases, union</p> <p>5 leadership, there's a lot of turnover. City</p> <p>6 government leadership was a lot of turnover, so,</p> <p>7 you know, just based on what happened</p> <p>8 historically, we seemed to be just fighting each</p> <p>9 other all the time and that's just not healthy.</p> <p>10 Q. And did you think that reducing the number of</p> <p>11 bargaining units was essential to the</p> <p>12 restructuring of the city?</p> <p>13 A. Yes.</p> <p>14 Q. And while you were mayor, did you take any steps</p> <p>15 to reduce the number of bargaining units?</p> <p>16 A. We wanted to do that, but once again, based on</p> <p>17 contractual obligations, that was very difficult,</p> <p>18 very difficult to do.</p> <p>19 Q. And what steps did you take --</p> <p>20 A. I can't remember.</p> <p>21 Q. Okay. And why did the -- and it was the CBAs</p> <p>22 that made it difficult?</p> <p>23 A. Yes.</p> <p>24 Q. Do you remember how it made -- how the CBAs made</p> <p>25 that change difficult?</p>	<p style="text-align: right;">Page 60</p> <p>1 DAVE BING</p> <p>2 out a person that knew the job, and that was --</p> <p>3 that was very inefficient.</p> <p>4 Q. Right. So a person could earn -- or an employee</p> <p>5 could go from one department to another?</p> <p>6 A. Yes.</p> <p>7 Q. And if that person had more seniority than a</p> <p>8 person who had been working on that job --</p> <p>9 A. That's correct.</p> <p>10 Q. -- they would be able to bump them?</p> <p>11 A. Yes.</p> <p>12 Q. Even if they didn't know anything about it?</p> <p>13 A. Yes.</p> <p>14 Q. And that was just a problem from an inefficiency</p> <p>15 standpoint?</p> <p>16 A. Absolutely, inefficiently and knowledge.</p> <p>17 Q. And did it also affect morale?</p> <p>18 A. Oh, I'm sure it did.</p> <p>19 Q. And do you think that was also what led to some</p> <p>20 of the attrition?</p> <p>21 A. I'm sure.</p> <p>22 Q. And did you try and modify the bumping rights</p> <p>23 provisions in the CBAs?</p> <p>24 A. Yes, that was attempted, but not sure we were</p> <p>25 successful.</p>

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